12/86 4-7980-1

NEW MEXICO BUSINESS

CURRENT ECONOMIC REPORT

Vol. 7 No. 9
October 1986

Current Economic Developments in New Mexico

The national economy appears to be losing steam though consumer spending still retains some muscle. The Commerce Department's leading indicators fell 0.2 percent in August, following a 1.0 percent gain in July. Industrial production was again flat in September. The formerly high-flying home building sector experienced a 13.4 percent drop in new home sales during August, and since March sales have descended 36.0 percent. Along with tax reform looms uncertainty that should act to depress capital spending.

Despite the appearance of a significant devaluation, closer examination reveals only a six percent reduction in the dollar's value according to a recent study by the Federal Reserve Bank of Dallas. In the analysis trade weights were recalculated using trade weights based upon 1982-85 trading patterns of all 131 nations with which the U.S. trades. By contrast, the popular Federal Reserve Board of Governors index showed a 34 percent devaluation with the index based upon the 1972-76 trading patterns of ten U.S. trading partners. The Dallas index demonstrates that since March, 1985 the dollar depreciated against Japanese and European currencies; remained at the same level versus Canada and Pacific Basin nations (i.e. Taiwan, Korea and so forth) because they peg their currencies to the dollar; and appreciated against Western Hemisphere countries. Foreign producers, moreover, are not raising prices, but instead are slicing profit margins to keep market share. With the dollar falling against some currencies U.S. exporters in those markets have some room to raise their prices. All this implies that the projected export-led recovery, which is based upon a weakened dollar, may be in jeopardy.

New Mexico increasingly mirrors the nation's economy. Again, low oil prices have carved into state severance tax revenues and depressed employment in the state's resource-dependent regions, while in Albuquerque, the office and apartment market is overbuilt, shown by high "vacancy" rates, a slowdown in new commercial construction, and weak employment growth. Stalled manufacturing, due to the relatively high dollar (explained earlier), and resulting slow export growth puts a lid on the city's electronic industry. If waning sales in the country's new single-home market strikes New Mexico, then this geared up sector will lose some of its punch locally.

Just as the U.S. economy is becoming more interdependent with the rest of the world's fortunes and New Mexico more interlinked with the national economy, it follows that New Mexico no longer is isolated but integrally affected by international movements. Most recent economic trends have their origins abroad, such as collapsing commodity prices, foreign governments' subsidizing their mining industries, and weak U.S. production due to imports. For New Mexico's future, President Reagan's safeguarding of the Strategic Defense Initiative at the Iceland summit talks with Gorbachev bodes well for a program with a potentially big economic impact on New Mexico. Defense represents yet another link to international events vital to the state's economy.

A slumping New Mexico economy showed a nonagricultural employment increase of only 1.0 percent in August over a year ago. The state's unemployment rate, meanwhile, rose from 8.6 percent to 9.0 percent during the same period. Another sign of weakness was 10.8 percent decline in new business incorporations over the last two twelve month averages. Personal income, the force igniting consumer spending, rose 3.7 percent in New Mexico during the first quarter of 1986 compared to the same period in 1985.

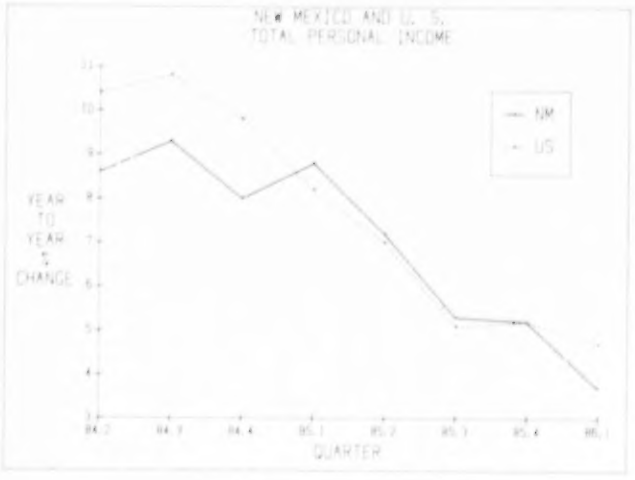
Consumer spending also is keeping the state's economy aloft as jobs in the retail trade sector grew 4.4 percent in August over a year ago; but jobs in wholesale trade fell 1.2 percent during the same period. Employment in the transportation, communications, and utilities sector dropped 6.8 percent while 24.7 percent of jobs in the mining sector vanished in August against a year ago. Output in the mining sector fared poorly as production fell 7.1 percent for petroleum, 30.4 percent for natural gas, and 19.7 percent for coal in August compared to a year earlier. Oil and gas well completions and sales also have dropped dramatically. The manufacturing and construction sectors showed a bare 0.3 percent employment increase in August against a year ago. During the same period the finance, insurance and real estate sector experienced a slight 1.6 percent growth in jobs and the government sector had a 2.7 percent gain in employment. Within the government sector state and local government employment rose modestly while federal employment declined. Again, no job growth occurred in electronics manufacturing but the smaller manufacturing industries of food processing, textile and apparel, and lumber and wood products all registered healthy employment gains in August over a year ago.

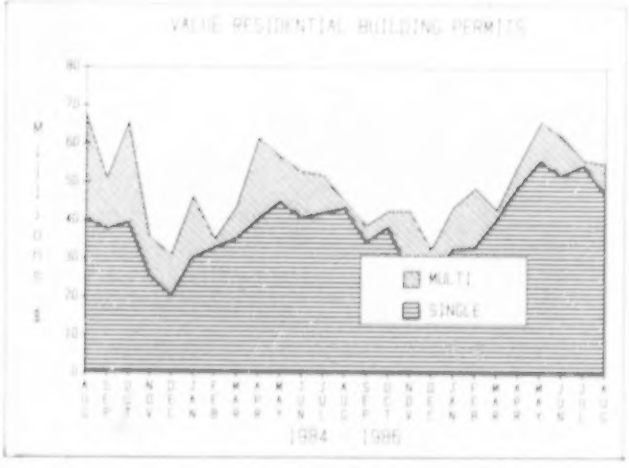
In the construction sector residential, non-residential, and non-building dollar-valued contracts fell substantially in August compared to last year. But over the last 12 months the moving average of the dollar value of residential permits rose

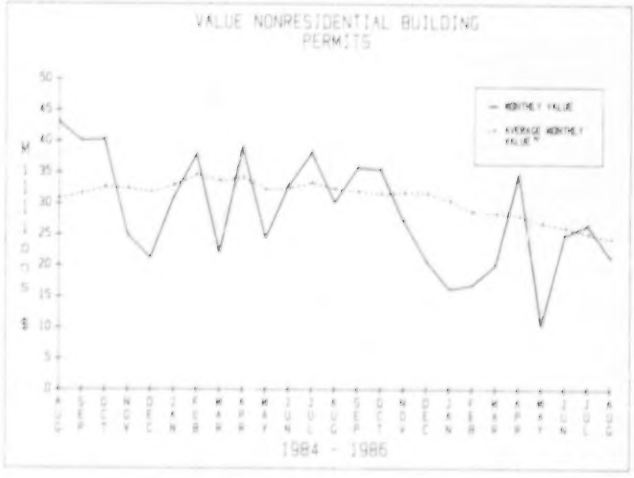
(Continued on page 8)

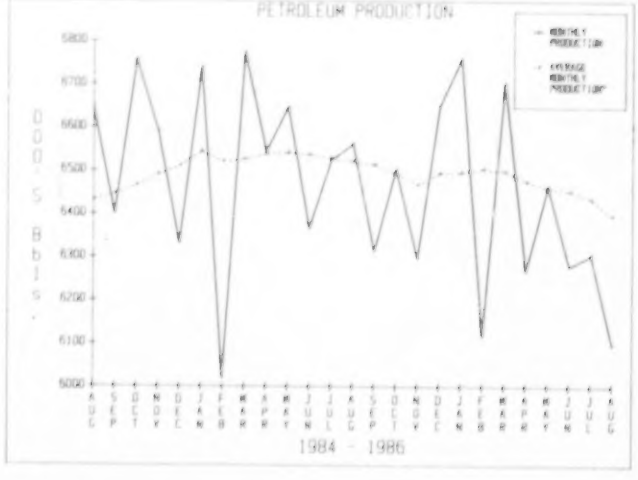
Bureau of Business and Economic Research, Institute for Applied Research Services
The University of New Mexico, Albuquerque, NM 87131
Main Office: (505) 277-2216 Data Bank: (505) 277-6626

ECONOMIC TRENDS IN NEW MEXICO









*12 month moving average. For example, the point for August, 1986 represents an average of data from September, 1985 through August, 1986.

U.S. ECONOMIC INDICATORS

	CURRENT MO/QTR	DATA	% CHANGE YEAR AGO	PREVIOUS MO/ QTR DATA
Consumer price index:				
All urban consumers (1967=100):				
All items	Aug 86	328.6	1.6	328.0
Food and beverages	Aug 86	316.6	4.2	312.2
Housing	Aug 86	302.4	2.7	301.5
Apparel and upkeep	Aug 86	207.0	0.8	203.2
Transportation	Aug 86	301.3	-6.0	306.7
Medical care	Aug 86	447.5	7.6	436.8
Entertainment	Aug 86	276.7	3.9	276.9
Other goods and services	Aug 86	396.9	6.1	396.9
Revised series, wage earners and clerical workers (1967=100):				
All items	Aug 86	321.6	1.0	322.9
Gross national product* ($Bil., constant)	II 86	1661.5	2.2	1657.9
Prime interest rate** (% per annum)	Aug 86	7.5	-21.0	8.0
Mortgage interest rate*** (% per annum)	Jul 86	10.	-8.9	10.1
3 month treasury bill# (% per annum)	Aug 86	5.6	-22.6	5.8
Industrial production## (1977=100)	Jul 86	126.1	0.0	126.2
Manufacturers new orders## ($Bil.)	Jun 86	191.8	-1.3	192.1

NEW MEXICO AND U.S. COMPARISONS

		NEW MEXICO				UNITED STATES		
	CURRENT MO/QTR	CURRENT MO/QTR DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA	CURRENT MO/QTR DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA
Employment (000)	Aug 86	619.2	5.3	622.5	111,515	3.7	111,812
Unemployment rate (%)	Aug 86	9.0	6.7	9.5	6.7	-2.8	7.0
Nonagricultural employment (000)	Aug 86	521.6	1.0	508.2	100,232	2.6	100,016
Personal income### ($Mil.)	II 86	N	N	35,919	N	N	3,305,600
Housing units permitted:							
Single	Aug 86	755	5.6	796	80,512	0.8	305,100
Multi	Aug 86	306	260.0	93	51,960	-22.1	59,600

Note: Selected data items subject to revision.
N Not available.
* 1982 dollars at seasonally adjusted annual rates.
** Closing rate for month.
*** Effective rate (in the primary market) on conventional mortgages, reflecting fees and charges as well as contract rate and assumed, on the average, repayment at end of 10 years.
\# Rate on new issues within period; bank discount basis.
\## Monthly data seasonally adjusted.
\### Quarterly data seasonally adjusted at annual rates.
Sources: U. S. Department of Labor, News: CPI data;
New Mexico Employment Security Department and U. S. Bureau of Labor Statistics: employment and unemployment data;
U. S. Department of Commerce, Bureau of Economic Analysis: income data;
U. S. Department of Commerce, Bureau of the Census: construction data;
U. S. Council of Economic Advisors, Economic Indicators: all other data.

NEW MEXICO ECONOMIC INDICATORS

	MO/QTR	CURRENT DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA	% CHANGE# 12 MONTH AVERAGES
1. GENERAL					
Civilian labor force* (000)	Aug 86	680.4	5.6	687.7	3.7
Total employment* (000)	Aug 86	619.2	5.1	622.5	3.0
Unemployment* (000)	Aug 86	61.2	11.1	65.2	10.7
Unemployment rate (%)	Aug 86	9.0	4.7	9.5	7.1
Weekly new unemployment insurance claims	Aug 86	1459.0	16.9	1620.9	15.7
Nonagricultural wage/salary employment**(000)	Aug 86	521.4	1.0	520.2	1.8
New business incorporations	Jun 86	178.0	-22.6	157.0	-10.8
Personal income*** ($ mil.)	1 86	15919.0	3.7	15760.0	5.4
2. AGRICULTURAL RECEIPTS					
Livestock and products ($ mil.)	Jun 86	62.4	-0.9	63.5	-1.1
Crops ($ mil.)	Jun 86	15.4	36.1	14.6	-1.1
Total ($ mil.)	Jun 86	77.8	6.2	77.1	-1.1
3. MINING					
Employment** (000)	Aug 86	16.9	-24.7	15.1	-17.4
Average hourly earnings ($)	Aug 86	11.97	2.8	12.57	4.1
Petroleum production (000 bbls.)	Aug 86	6097.0	-7.1	6307.2	-1.9
Natural gas production (bil. cu. ft.)	Aug 86	48.9	-10.4	52.4	-20.6
Coal production (000 short tons)	Aug 86	1893.0	-19.7	1107.0	-13.6
Oil well completions&	Aug 86	11.0	-59.2	40.0	-15.7
Gas well completions&	Aug 86	15.0	-85.4	12.0	-5.0
Total footage drilled&& (000)	Aug 86	316.0	-71.7	344.2	-17.2
Oil sales ($ mil.)	Jun 86	75.7	-49.2	18.9	-22.3
Gas sales ($ mil.)	Jun 86	79.5	-50.4	89.4	-27.6
4. CONSTRUCTION					
Employment** (000)	Aug 86	38.6	0.3	38.2	-1.2
Average hourly earnings ($)	Aug 86	10.80	0.8	10.69	3.9
Residential units permitted	Aug 86	1061.0	12.7	847.0	-7.9
Residential building permits ($ mil.)	Aug 86	55.4	21.8	46.4	1.9
Nonresidential building permits ($ mil.)	Aug 86	23.3	-28.9	26.8	-23.9
Residential construction contracts ($ mil.)	Aug 86	51.9	-19.0	71.8	-10.2
Nonresidential construction contracts ($mil.)	Aug 86	38.1	-23.8	40.6	-19.4
Nonbuilding construction contracts ($ mil.)	Aug 86	26.9	-46.1	21.0	-1.7
5. TRANSPORTATION/COMMUNICATION/UTILITIES					
Employment** (000)	Aug 86	27.1	-6.9	27.1	-6.1
Average hourly earnings## ($)	Aug 86	12.75	11.9	11.97	5.6
6. MANUFACTURING					
Employment** (000)	Aug 86	38.1	0.3	37.3	0.7
Average hourly earnings ($)	Aug 86	8.60	1.7	8.95	3.7
Electric & electronic equipment employment** (000)	Aug 86	6.6	0.0	6.7	-1.8
Transportation equipment employment** (000)	Aug 86	4.1	2.5	4.1	7.9
Food & kindred products employment** (000)	Aug 86	4.9	4.3	4.9	4.8
Textile & apparel employment** (000)	Aug 86	2.5	8.7	2.3	0.0
Lumber & wood products employment** (000)	Aug 86	2.8	3.8	2.7	0.0

NEW MEXICO ECONOMIC INDICATORS (continued)

	MO/QTR	CURRENT DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA	% CHANGE# 12 MONTH AVERAGES
7. TRADE					
Wholesale employment** (000)	Aug 86	22.8	-1.7	22.9	-0.9
Retail employment** (000)	Aug 86	107.2	0.9	105.8	0.6
Average hourly earnings ($)	Aug 86	6.88	4.8	6.73	3.5
8. FINANCE/INSURANCE/REAL ESTATE					
Employment** (000)	Aug 86	26.5	1.6	26.4	0.1
Bank average hourly earnings ($)	Aug 86	5.60	1.9	5.20	4.7
Bank total assets ($ mil.)	1 86	9401.8	5.1	9375.7	6.2
Bank total deposits ($mil.)	1 86	8129.4	4.9	8091.9	6.9
Bank gross loans ($ mil.)	1 86	5565.8	1.7	5552.3	7.2
S & L total assets ($ mil.)	Jul 86	5168.0	10.1	5180.9	10.1
S & L total deposits ($ mil.)	Jul 86	4147.8	11.2	4131.2	10.2
S & L new mortgage loans committed ($ mil.)	Jul 86	152.4	99.0	136.3	9.2
9. SERVICES AND TOURISM					
Total service employment** (000)	Aug 86	119.9	1.4	119.7	0.7
Lodging employment** (000)	Aug 86	13.4	10.8	13.2	11.7
Eating & drinking places employment** (000)	Aug 86	38.6	4.7	37.7	5.3
Visits to state parks (000)	Jun 86	949.8	17.8	996.0	13.1
Visits to national parks/monuments (000)	Aug 86	594.7	12.8	515.5	11.6
Passenger traffic at Albuquerque airport## (000)	Aug 86	648.9	15.2	595.5	8.4
Lodgers tax receipts ($ 000)	1 86	1711.5	N	1671.9	N
Lodging occupancy rates (%)	Aug 86	75.7	-6.3	69.3	-11.0
10. GOVERNMENT					
Total government employment** (000)	Aug 86	126.1	2.3	127.7	1.9
Federal employment** (000)	Aug 86	29.0	-1.0	30.0	-2.1
State employment** (000)	Aug 86	44.1	4.8	44.6	1.4
Local employment** (000)	Aug 86	52.9	4.0	53.1	1.9
Total general fund collections### ($ mil.)	Jul 86	107.3	-10.2	180.1	5.6

Notes: Updated data items subject to revision.
N Not available.
^ Number of persons by place of residence.
** Number of jobs by place of work.
*** Quarterly data seasonally adjusted at annual rates.
& These wildcat wells that are in the following categories: new drillings, deepened, plugged back, reentry and old holes.
NA Not applicable.
New collections (excluding transfers) for the previously carried item "total loans utilized" plus a relatively insignificant new category.
Not strictly comparable to the figures that contained June 1985 figures this would be the percent change in the average of July 1985 to June 1986 data versus the average of July 1984 to June 1985 data.
Enplaned/deplaned plus originating only.
@ Passenger traffic includes enplanements and deplanements.
@@ This figure includes full and part time employment at Los Alamos National Laboratories (LANL). Full time employment alone at LANL is 7,688 as of September 1985 according to U. S. Dept. of Energy, Public Affairs.
Includes refunding and nonoperating revenues.

Sources: New Mexico Employment Security Dept.: Sections 1, 3, 4, 5, 6, 7, 8, 9, 10;
Dun and Bradstreet, Inc.: Section 1;
U. S. Dept. of Commerce, Bureau of Economic Analysis: Section 1;
USDA Statistical Reporting Service: Section 2;
New Mexico Energy and Minerals Dept., Oil and Gas Conservation Division: Section 3;
New Mexico Taxation and Revenue Dept., Oil and Gas Accounting Division: Section 3;
U. S. Dept. of Energy, Energy Information Administration: Section 4;
U. S. Dept. of Commerce, Bureau of the Census: Section 6;
F. W. Dodge Company (a division of McGraw-Hill, Inc.): Section 6;
U. S. Federal Reserve: Section 8;
Federal Home Loan Bank of Dallas: Section 8;
New Mexico Natural Resources Dept., Parks and Recreation Division: Section 9;
U. S. National Park Service: Section 9;
City of Albuquerque, Albuquerque International Airport: Section 9;
New Mexico Dept. of Finance and Administration, Local Government Division: Section 9;
Parnell, Kerr and Forster: Section 9;
New Mexico Dept. of Finance and Administration: Section 10.

CITIES, COUNTIES AND FEATURES

GROSS RECEIPTS# FROM RETAIL TRADE
TOP 20 CITIES
($000)

	CURRENT 3 MONTH AVERAGE* JUN-AUG	% CHANGE AVERAGE YEAR AGO	PREVIOUS 3 MONTH AVERAGE* MAR-MAY
Alamogordo	$ 13,918	-1.4	$ 12,599
Albuquerque	221,178	1.9	198,488
Artesia	5,079	-16.1	4,523
Carlsbad	13,077	-8.2	11,809
Clovis	16,906	0.9	15,075
Deming	4,754	2.6	4,552
Espanola	7,374	-7.9	6,626
Farmington	27,426	-5.3	25,335
Gallup	22,050	7.3	20,071
Hobbs	15,946	-28.2	16,994
Las Cruces	31,970	-1.2	30,650
Las Vegas	6,007	-0.8	5,399
Los Alamos	6,768	9.0	5,651
Lovington	3,379	-38.4	3,707
Portales	6,536	-6.7	4,636
Roswell	18,889	-0.0	17,814
Ruidoso	6,831	-2.9	4,475
Santa Fe	46,787	5.6	36,941
Silver City	6,767	-18.4	7,376
Taos	7,179	-0.9	5,898
State total	629,568	-0.3	573,984

\# Gross receipts reported are for gross receipts tax purposes, which do not include all the receipts of all firms.

* Averages are used to smooth out fluctuations in the data, which are not caused by changes in economic conditions.

Source: New Mexico Taxation and Revenue Department.

NEW MEXICO CONSTRUCTION
SELECTED CITIES

	NUMBER OF BUILDING UNITS OR PERMITS *				VALUE OF BUILDING PERMITS ($000)			
	AUG. 1986	AUG. 1985	CUMULATIVE TOTAL THROUGH AUG. 1986	CUMULATIVE TOTAL THROUGH AUG. 1985	AUG. 1986	AUG. 1985	CUMULATIVE TOTAL THROUGH AUG. 1986	CUMULATIVE TOTAL THROUGH AUG. 1985
RESIDENTIAL**								
Alamogordo	38	23	216	154	$ 1,610	$ 954	$ 10,124	$ 6,649
Albuquerque	507	187	4,332	3,773	22,583	11,915	179,652	152,436
Carlsbad	15	16	62	51	822	425	3,256	2,504
Clovis	17	7	115	95	574	445	6,236	5,928
Farmington	13	13	67	96	495	511	2,680	3,535
Hobbs	6	3	27	32	261	331	1,313	2,146
Las Cruces	29	33	352	440	1,849	1,963	18,618	19,893
Los Alamos	4	3	44	78	392	451	5,436	7,062
Rio Rancho***	103	108	898	978	5,821	6,759	44,963	55,604
Roswell	7	9	58	82	461	258	2,804	4,185
Ruidoso	6	7	121	106	485	570	6,254	8,122
Santa Fe	52	100	493	474	2,427	4,383	20,522	22,321
NONRESIDENTIAL*								
Alamogordo	22	12	78	93	354	131	1,287	1,808
Albuquerque	1	18	31	264	1,092	5,297	44,199	90,213
Carlsbad	9	30	77	191	41	101	1,214	2,693
Clovis	1	6	24	53	899	100	2,665	4,749
Farmington	2	3	19	23	344	204	3,019	1,330
Hobbs	0	2	12	8	0	964	1,682	1,677
Las Cruces	22	18	150	173	3,649	5,765	13,053	14,451
Los Alamos	11	10	59	41	72	82	3,879	258
Rio Rancho***	1	8	23	25	40	1,615	7,162	7,619
Roswell	12	21	77	150	14	205	1,574	1,089
Ruidoso	3	6	12	60	6	161	1,428	5,931
Santa Fe	17	23	75	116	2,188	1,868	10,603	14,076

Note: Top twelve cities chosen on basis of residential construction activity during the period 1982 through 1984.
r 1985 data is revised.
* Residential data shows the number of permitted units, while nonresidential data shows the number of permits.
** Residential data includes both single and multi family units.
*** AMREP Southwest, Inc. reported Rio Rancho data.

Sources: AMREP Southwest, Inc.: Rio Rancho only;
U. S. Department of Commerce, Bureau of the Census: all others.

CITIES, COUNTIES AND FEATURES (continued)

ESTIMATED CIVILIAN LABOR FORCE AND EMPLOYMENT
(000)

	NEW MEXICO			ALBUQUERQUE MSA*			LAS CRUCES MSA**			SANTA FE MSA***		
	AUG. p	% CHANGE YEAR AGO	JULY r	AUG. p	% CHANGE YEAR AGO	JULY r	AUG. p	% CHANGE YEAR AGO	JULY r	AUG. p	% CHANGE YEAR AGO	JULY r
TOTAL CIVILIAN LABOR FORCE	680.4	5.6	687.7	256.2	6.4	258.5	55.7	16.8	55.0	64.9	5.8	65.7
Employment@	619.2	5.1	622.5	239.8	6.7	241.6	51.8	19.4	50.1	61.6	5.9	61.9
Unemployment	61.2	11.1	65.2	16.4	3.2	17.0	3.9	-9.3	4.9	3.3	6.5	3.7
Unemployment rate (%)	9.0	4.7	9.5	6.4	-3.0	6.6	6.9	-23.1	7.9	5.1	0.0	5.7
NONAGRICULTURAL WAGE & SALARY EMPLOYMENT	521.4	1.0	520.2	225.2	2.4	224.1	38.6	13.9	37.8	52.6	-0.3	52.2
Mining	14.9	-24.7	15.1	0.3	0.0	0.3	N	N	N	0.1	0.0	0.1
Contract construction	38.6	0.3	38.2	18.7	-1.0	18.5	2.9	16.0	2.9	3.6	-5.2	3.5
Manufacturing	38.1	0.3	37.3	19.5	0.6	19.5	3.3	-2.9	3.1	1.7	13.4	1.5
Durable goods	24.4	-0.4	24.3	13.8	1.5	13.9	1.3	8.4	1.4	1.0	11.2	0.9
Nondurable goods	13.7	1.5	13.0	5.7	-1.7	5.6	2.0	-9.0	1.7	0.7	16.7	0.6
Transportation & public utilities	27.1	-6.8	27.1	11.8	0.0	11.8	1.4	7.7	1.3	1.1	0.0	1.1
Trade	130.0	3.4	128.7	58.6	2.9	58.2	8.2	10.9	8.2	10.4	-0.9	10.2
Wholesale	22.8	-1.2	22.9	14.2	-0.6	14.3	0.8	0.0	0.8	0.8	14.3	0.8
Retail	107.2	4.4	105.8	44.4	4.0	43.9	7.4	12.2	7.4	9.7	0.0	9.5
Finance, insurance, & real estate	26.5	1.6	26.4	13.7	1.5	13.6	1.7	6.3	1.7	2.1	5.0	2.1
Services	119.9	3.3	119.7	59.5	3.2	59.5	5.7	11.8	5.5	13.6	0.0	13.6
Government	126.3	2.7	127.7	43.1	3.9	42.7	15.5	23.1	15.2	20.1	0.0	20.2
Federal	29.6	-1.0	30.0	12.9	0.8	12.9	4.7	0.0	4.7	1.6	-5.8	1.6
State	44.3	3.8	43.6	11.8	1.8	11.1	6.4	42.3	6.2	15.2	2.1	15.2
Local	52.4	4.0	54.1	18.4	7.7	18.7	4.4	29.5	4.3	3.3	-5.7	3.4

N Not available, less than 50 jobs.
p Preliminary.
r Revised.

* Bernalillo County.
** Dona Ana County.
*** Santa Fe and Los Alamos Counties.
@ Includes labor disputes.

Source: New Mexico Employment Security Department.

SELECTED PER CAPITA STATE GOVERNMENT REVENUES*
U.S. and Southwestern States
Fiscal Year 1984

	Total Revenue	Intergovernmental Revenue			Taxes							Charges and Miscellaneous Revenues						Other
		Total	Federal	Local	Total	General Sales	Motor Fuel	Individual Income	Corporate Income	Severence	Other	Total	Higher Education	Interest Income	Royalties	Rents	Other	
United States	$1,686	$346	$323	$ 23	$803	$266	$63	$250	$66	$ 31	$170	$223	$ 61	$ 56	$ 14	$ 13	$79	$281
New Mexico	2,344	372	349	23	967	406	75	53	37	298	138	728	82	293	161	129	73	277
Arizona	1,491	223	196	27	327	374	63	173	65	0	152	182	75	29	1	5	72	259
Oklahoma	1,535	274	268	6	807	138	44	199	29	213	184	263	102	69	0	19	65	191
Texas	1,183	217	216	1	615	238	32	0	0	139	206	196	56	51	30	5	54	155
Colorado	1,535	295	292	3	671	249	59	240	28	9	86	240	112	41	4	15	69	329
Utah	1,741	401	391	10	724	320	53	234	27	23	67	282	100	75	13	3	91	334
PERCENT DISTRIBUTION																		
United States	100.0	20.5	19.2	1.4	49.6	15.8	3.1	14.8	3.9	1.8	10.1	13.2	3.6	3.3	0.8	0.8	4.7	16.7
New Mexico	100.0	15.9	14.9	1.0	41.3	17.3	3.2	2.3	1.6	11.0	5.9	31.1	3.5	12.5	6.4	5.5	3.1	11.8
Arizona	100.0	15.0	13.1	1.8	55.5	25.1	4.2	11.6	4.4	0.0	10.2	12.2	5.0	1.9	0.1	0.3	4.8	17.4
Oklahoma	100.0	17.9	17.5	0.4	52.6	9.0	2.9	13.0	1.9	13.9	12.0	17.1	6.6	4.5	0.5	1.2	4.2	12.4
Texas	100.0	18.3	18.3	0.1	52.0	20.1	2.7	0.0	0.0	11.7	17.4	16.6	4.7	4.3	2.5	0.4	4.6	13.1
Colorado	100.0	19.2	19.0	0.2	43.7	16.2	3.8	15.6	1.8	0.6	5.6	15.6	7.3	2.7	0.2	1.0	4.5	21.4
Utah	100.0	23.0	22.5	0.6	41.6	18.4	3.0	13.4	1.6	1.3	3.8	16.2	5.7	4.3	0.7	0.2	5.2	19.2

* Detail may not add to total due to rounding.
Source: U.S. Department of Commerce, Bureau of the Census, State Government Finances in 1984.

Economic Developments . . .

(Continued from page 1)

just 1.9 percent and the number of residential units permitted dropped 7.9 percent. The strong single-family home market has compensated for an abated multi-family market. Construction of new multi-family units has been halved since 1984 levels and is expected to weaken in 1987. During the last 12 months the moving average of dollar-valued construction contracts dropped 15.4 percent for non-residential and 1.7 percent for non-building construction.

Tourism accounted for most of the service sector's job growth with employment in lodging rising 10.8 percent in August over last year. Lodging occupancy rates declined 11.0 percent during the last 12 month moving average compared to the previous average, but rates jumped seasonally from 69.3 percent in July to 75.6 percent in August. Yet despite a boost in tourism hotel construction has slackened. Recently in Albuquerque, two planned projects, a new Radisson Hotel and an expansion at the Winrock Inn, were scuttled while one expansion is still on the board. A new Hilton hotel opened in Las Cruces and several lodging places opened this summer in the Santa Fe and Taos areas. In 1986, the lodging occupancy rate in Santa Fe rose 4 to 10 percent during the tourist season even with the addition of 1000 new rooms, while in Taos the occupancy rate increased 10 to 15 percent. Another indicator of expanding tourism, visits to state and national parks, climbed 17.8 and 12.8 percent, respectively, over a year ago.

In regional economic activity, a new port of entry opened at Santa Teresa, near Las Cruces, that initially will be a cattle crossing and later expected to be a twin plant industrial park with Mexico. The Pentagon selected White Sands as the site for a large research facility named the Ground Based Free Electron Laser Technology Integration Experiment. The project will employ 500-2000 workers during construction and employ 250 workers permanently. Congress also approved initial funding of $80 to $125 million for a new highway between Santa Fe and Los Alamos. Meanwhile, Giant Industries plans to build a new $12 million gas isomerization unit and a travel center on I-40 east of Gallup that would employ 200. Yet in the depressed southeast area of New Mexico gross receipts from retail trade declined substantially against a year ago.

Typically, Albuquerque's economy performs better than the state's economy. As for major area projects, Signetics is building a new fabrication unit which will employ 100 workers in a year. The $30 million Paseo Del Norte Bridge connecting Albuquerque's east and west sides should also be completed next year. As further evidence of a stronger employment picture, Albuquerque's unemployment rate in August was 6.4 percent compared to New Mexico's 9.0 percent.

Richard Zimmerman
Economist

Bureau of Business and Economic Research
Institute for Applied Research Services
The University of New Mexico
Albuquerque, NM 87131
(505) 277-2216

NON-PROFIT ORGANIZATION
U.S. POSTAGE
PAID
ALBUQUERQUE, N.M.
PERMIT NO. 962

ED KIANKA
CONGRESSIONAL INFO. SER.
SRI ACQUISITIONS
SUITE 800
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814

Subscription Price $15.00 per year.
Single Copies $1.85